

AMENDED IN SENATE MAY 1, 2000

**SENATE BILL**

**No. 2029**

**Introduced by Senator Figueroa**

February 25, 2000

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~~An act to amend Sections 7000.5 and 7011 of the Business and Professions Code, relating to contractors. An act to amend Section 7001 of, to amend, add, and repeal Sections 7002, 7003, and 7007 of, and to add Sections 7005.6, 7011.2, and 7021 of, the Business and Professions Code, relating to contractors.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 2029, as amended, Figueroa. Contractors' State License Board.

The Contractors' State License Law provides for the creation of the Contractors' State License Board *with 13 members*, and provides for the appointment of a registrar of the board and various other administrative staff positions. Under existing law, these *and other related* provisions will become inoperative on July 1, 2001, and will be repealed on January 1, 2002.

~~This bill would delete these dates, thereby extending the operation of these provisions for an unspecified time require the board to conduct various studies and reviews, and to report to the Department of Consumer Affairs and the Legislature by February 1, 2001. This bill would create a new Contractors' State License Board with 15 members, as specified, effective July 1, 2001, and would enact other related~~

provisions. The provisions creating the new board would become inoperative on July 1, 2005.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 7000.5 of the Business and~~

2 *SECTION 1. Section 7001 of the Business and*  
3 *Professions Code is amended to read:*

4 7001. All members of the board, except the public  
5 members, shall be contractors actively engaged in the  
6 contracting business, have been so engaged for a period  
7 of not less than five years preceding the date of their  
8 appointment and shall so continue in the contracting  
9 business during the term of their office. No one, except a  
10 public member, shall be eligible for appointment who  
11 does not at the time hold an unexpired license to operate  
12 as a contractor.

13 The public members shall not be licentiates of the  
14 board.

15 *This section shall become inoperative on July 1, 2001,*  
16 *and, as of January 1, 2002, is repealed, unless a later*  
17 *enacted statute, which becomes effective on or before*  
18 *January 1, 2002, deletes or extends the dates on which it*  
19 *becomes inoperative and is repealed.*

20 *SEC. 2. Section 7002 of the Business and Professions*  
21 *Code is amended to read:*

22 7002. One member of the board shall be a general  
23 engineering contractor, two members shall be general  
24 building contractors, two members shall be specialty  
25 contractors, one member shall be a member of a labor  
26 organization representing the building trades, and seven  
27 members shall be public members, one of whom shall be  
28 an active local building official.

29 For the purposes of construing this article, the terms  
30 “general engineering contractor,” “general building  
31 contractor,” and “specialty contractor” shall have the  
32 meanings given in Article 4 (commencing with Section  
33 7055) of this chapter.

1 Each contractor member of the board shall be of  
2 recognized standing in his or her branch of the  
3 contracting business. Each member of the board shall be  
4 at least 30 years of age and of good character.

5 Each member of the board shall have been a citizen  
6 and resident of the State of California for at least five years  
7 next preceding his or her appointment.

8 *This section shall become inoperative on July 1, 2001,*  
9 *and, as of January 1, 2002, is repealed, unless a later*  
10 *enacted statute, which becomes effective on or before*  
11 *January 1, 2002, deletes or extends the dates on which it*  
12 *becomes inoperative and is repealed.*

13 SEC. 3. Section 7002 is added to the Business and  
14 Professions Code, to read:

15 7002. One member of the board shall be a general  
16 engineering contractor; two members shall be general  
17 building contractors, two members shall be specialty  
18 contractors, one member shall be a member of a labor  
19 organization representing the building trades, one  
20 member shall be an active local building official, and  
21 eight members shall be public members.

22 For the purposes of construing this article, the terms  
23 “general engineering contractor,” “general building  
24 contractor,” and “specialty contractor” shall have the  
25 meanings given in Article 4 (commencing with Section  
26 7055).

27 Each contractor member of the board shall be of  
28 recognized standing in his or her branch of the  
29 contracting business, hold an unexpired license to  
30 operate as a contractor, and be actively engaged in the  
31 contracting business, have been so engaged for a period  
32 of not less than five years preceding the date of his or her  
33 appointment, and shall so continue in the contracting  
34 business during the term of his or her office.

35 The public members shall not be current or past  
36 licensees of the board, a close family member of a  
37 licensee, formerly or currently connected with the  
38 construction industry, or have any financial interest in the  
39 business of a licensee of the board, and shall meet all other

1 requirements for public membership pursuant to  
2 Chapter 6 (commencing with Section 450) of Division 1.

3 Each member of the board shall have been a citizen  
4 and resident of the State of California for at least five years  
5 next preceding his or her appointment.

6 This section shall become operative on July 1, 2001.

7 This section shall become inoperative on July 1, 2005,  
8 and as of January 1, 2006, is repealed, unless a later  
9 enacted statute, which becomes effective on or before  
10 January 1, 2006, deletes or extends the dates on which it  
11 becomes inoperative and is repealed.

12 SEC. 4. Section 7003 of the Business and Professions  
13 Code is amended to read:

14 7003. Except as otherwise provided, an appointment  
15 to fill a vacancy caused by the expiration of the term of  
16 office shall be for a term of four years and shall be filled,  
17 except for a vacancy in the term of a public member, by  
18 a member from the same branch of the contracting  
19 business as was the branch of the member whose term has  
20 expired. A vacancy in the term of a public member shall  
21 be filled by another public member. Each member shall  
22 hold office until the appointment and qualification of his  
23 or her successor or until the office is deemed to be vacant  
24 pursuant to Section 1774 of the Government Code,  
25 whichever first occurs.

26 Vacancies occurring in the membership of the board  
27 for any cause shall be filled by appointment for the  
28 balance of the unexpired term.

29 No person shall serve as a member of the board for  
30 more than two consecutive terms.

31 The Governor shall appoint five of the public members,  
32 including the local building official, and the six members  
33 qualified as provided in Section 7002. The Senate Rules  
34 Committee and the Speaker of the Assembly shall each  
35 appoint a public member.

36 This section shall become inoperative on July 1, 2001,  
37 and, as of January 1, 2002, is repealed, unless a later  
38 enacted statute, which becomes effective on or before  
39 January 1, 2002, deletes or extends the dates on which it  
40 becomes inoperative and is repealed.

1 SEC. 5. Section 7003 is added to the Business and  
2 Professions Code, to read:

3 7003. Except as otherwise provided, an appointment  
4 to fill a vacancy caused by the expiration of the term of  
5 office shall be for a term of four years and shall be filled,  
6 except for a vacancy in the term of a public member, by  
7 a member from the same branch of the contracting  
8 business as was the branch of the member whose term has  
9 expired. A vacancy in the term of a public member shall  
10 be filled by another public member. Each member shall  
11 hold office until the appointment and qualification of his  
12 or her successor or until the office is deemed to be vacant  
13 pursuant to Section 1774 of the Government Code,  
14 whichever first occurs.

15 Vacancies occurring in the membership of the board  
16 for any cause shall be filled by appointment for the  
17 balance of the unexpired term.

18 No person shall serve as a member of the board for  
19 more than two consecutive terms.

20 The Governor shall appoint six of the public members  
21 and the seven members qualified as provided in Section  
22 7002. The Senate Rules Committee and the Speaker of the  
23 Assembly shall each appoint a public member.

24 Appointing powers may appoint members who  
25 previously served on the previous board.

26 This section shall become operative on July 1, 2001.

27 SEC. 6. Section 7005.6 is added to the Business and  
28 Professions Code, to read:

29 7005.6. (a) There is in the Department of Consumer  
30 Affairs a Contractors' State License Board, which consists  
31 of 15 members.

32 (b) This section shall become operative on July 1, 2001.

33 (c) This section shall become inoperative on July 1,  
34 2005, and, as of January 1, 2006, is repealed, unless a later  
35 enacted statute, which becomes effective on or before  
36 January 1, 2006, deletes or extends the dates on which it  
37 becomes inoperative and is repealed. The repeal of this  
38 section renders the board subject to the review required  
39 by Division 1.2 (commencing with Section 473).

1     *SEC. 7. Section 7007 of the Business and Professions*  
2     *Code is amended to read:*

3     7007. Seven members constitute a quorum at a board  
4     meeting.

5     Due notice of each meeting and the time and place  
6     thereof shall be given each member in the manner  
7     provided by the bylaws.

8     *This section shall become inoperative on July 1, 2001,*  
9     *and, as of January 1, 2002, is repealed, unless a later*  
10    *enacted statute, which becomes effective on or before*  
11    *January 1, 2002, deletes or extends the dates on which it*  
12    *becomes inoperative and is repealed.*

13    *SEC. 8. Section 7007 is added to the Business and*  
14    *Professions Code, to read:*

15    7007. Eight members shall constitute a quorum at a  
16    board meeting.

17    *This section shall become operative on July 1, 2001.*

18    *SEC. 9. Section 7011.2 is added to the Business and*  
19    *Professions Code, to read:*

20    7011.2. The board by and with the approval of the  
21    director shall appoint a registrar of contractors and fix his  
22    or her compensation.

23    The registrar shall be the executive officer and  
24    secretary of the board and shall carry out all of the  
25    administrative duties as provided in this chapter and as  
26    delegated to him or her by the board.

27    For the purpose of administration of this chapter, there  
28    may be appointed a deputy registrar, a chief reviewing  
29    and hearing officer and, subject to Section 159.5, other  
30    assistants and subordinates as may be necessary.

31    Appointments shall be made in accordance with the  
32    provisions of civil service laws.

33    *This section shall become operative on July 1, 2001.*

34    *This section shall become inoperative on July 1, 2005,*  
35    *and, as of January 1, 2006, is repealed, unless a later*  
36    *enacted statute, which becomes effective on or before*  
37    *January 1, 2006, deletes or extends the dates on which it*  
38    *becomes inoperative and is repealed.*

39    *SEC. 10. Section 7021 is added to the Business and*  
40    *Professions Code, to read:*

7021. The board shall conduct the following studies and reviews, and shall report to the department and the Legislature no later than February 1, 2001.

(a) The board shall conduct a comprehensive study of the issues surrounding home improvement contracts that involve home equity lending fraud and scams, and provide recommendations to deal with this problem.

(b) The board shall conduct a comprehensive study of its reorganization (“reengineering”) plan to restructure intake, mediation, and investigation services, and evaluate the impact this effort has had on consumer and industry access to board staff, its ability to reduce timeframes for complaint processing and investigations, increasing mediations, investigations, and legal actions, productivity of staff, and overall costs to the board.

(c) The board shall conduct a comprehensive study and review of recovery fund programs in California and other states which provide compensation to consumers for financial injury caused by a licensed professional. It should evaluate the effectiveness of these programs and whether such a recovery fund could benefit consumers who are harmed as a result of contractor fraud, poor workmanship, malfeasance, abandonment, failure to perform, or other illegal acts.

(d) The board shall review its current disclosure policy and provide recommended changes.

This section shall become inoperative on July 1, 2001, and, as of January 1, 2002, is repealed.

Professions Code is amended to read:

~~7000.5. (a) There is in the Department of Consumer Affairs a Contractors’ State License Board, which consists of 13 members.~~

~~(b) The repeal of this section renders the board subject to the review required by Division 1.2 (commencing with Section 473). However, the review of this board by the department shall be limited to only those unresolved issues identified by the Joint Legislative Sunset Review Committee.~~

~~(c) This section shall become inoperative on July 1, \_\_\_\_\_, and, as of January 1, \_\_\_\_\_, is repealed, unless~~



~~a later enacted statute, which becomes effective on or before January 1, \_\_\_\_\_, deletes or extends the dates on which it becomes inoperative and is repealed.~~

~~SEC. 2. Section 7011 of the Business and Professions Code is amended to read:~~

~~7011. The board by and with the approval of the director shall appoint a registrar of contractors and fix his or her compensation.~~

~~The registrar shall be the executive officer and secretary of the board and shall carry out all of the administrative duties as provided in this chapter and as delegated to him or her by the board.~~

~~For the purpose of administration of this chapter, there may be appointed a deputy registrar, a chief reviewing and hearing officer and, subject to Section 159.5, other assistants and subordinates as may be necessary.~~

~~Appointments shall be made in accordance with the provisions of civil service laws.~~

~~This section shall become inoperative on July 1, \_\_\_\_\_, and, as of January 1, \_\_\_\_\_, is repealed, unless a later enacted statute, which becomes effective on or before January 1, \_\_\_\_\_, deletes or extends the dates on which it becomes inoperative and is repealed.~~